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I. F. Stone's Weekly

VOL. I NUMBER 2 JANUARY 24, 1953 WASHINGTON, D. C. 15 CENTS

From Mink to General Motors

Amid the glittering wives of Eisenhower's many-millionaired Cabinet even the wife of "the plumber" was opulent. Mrs. Martin Durkin, the new First Lady of the Labor Department, was to appear at the Inaugural Ball in a bouffant gown by Countess Alexander, of toast brown Chantilly lace, with a ten yard sweep of skirt. The wife of the new Secretary of the Treasury barely managed to outpace this proletarian splendor by wearing "huge clips . . . of rubies and diamonds." The political tone of the festivities matched. Thanks to the vigilance of Representative Busbey, of Illinois, Aaron Copland's "A Lincoln Portrait" was dropped from the Inaugural Concert as "un-American." At the Inaugural reception, Adolph Menjou struck a suave blow for the free world when he turned his back on Soviet Ambassador Georgi Zarubin, who had asked to be presented, no doubt for purposes of infiltration.

There was a surprise in the Inaugural Address. In his farewell to the faculty of Columbia, Eisenhower had said he was breaking a release date to give the assembled professors a passage of special interest from his forthcoming Inaugural. "As long as we preach with conviction and teach with integrity," Eisenhower read, "that is the true defense against communism." The implications were reassuring, but the sentence was dropped from the Inaugural, as Eisenhower dropped a similar passage on a famous occasion during the campaign. The Inaugural as revised carried not the faintest suggestion of a plea for academic freedom, or civil liberty of any kind. The word freedom was often used but only in the general sense in which it always appears when a new war is being whooped up. Eisenhower said "freedom is pitted against slavery; light against dark" but this is immemorial metaphor. As far back as the earliest tribal wars over stolen axe handles, the issue has been freedom against slavery. The Inaugural was a gaudy composition, febrile and synthetic. Its prose style was not quite as purple as MacArthur's but it was sometimes almost as banal as Ridgway's. Those who listened for concrete ideas listened in vain. All the cliches which make one despair of negotiation were there. "Appeasement" was "futile." We shall never "try to placate an aggressor by the false and wicked bargain of trading honor for security." Eisenhower was bathetic when he said "in our quest of honorable peace, we shall neither compromise, nor tire . . ." The quest will be very tiring if he thinks peace can be achieved without compromise. Eisenhower seems to be tired already. "In the final choice," he said at one point, "a soldier's pack is not so heavy a burden as a prisoner's chains." Eisenhower is all set to march.

Just where is not clear. Eisenhower is no fire-eater, but seems to be a rather simple man who enjoys his bridge and his golf and doesn't like to be too much bothered. He promises, from what was observed of him by the press on his campaign train, to be a kind of president in absentia, a sort of political vacuum in the White House which other men will struggle among themselves to fill. In the meantime Congress, impatient as ever, wants something done about Korea. It would like to widen the war but without enlarging the risk, and at the same time to reduce the military budget; all it wants is a miracle. There are indications that something is up. One does not send one's Secretary of State and Mutual Security Director abroad immediately after inauguration for a junket, nor just to "gather information." Not much information can be gathered when one plans as Dulles and Stassen do to visit seven countries in nine days. A rapid fire round of visits at this pace is made for predigested take-it-or-leave-it propositions. If the Korean war is to be widened in search of trick solutions some quick high level negotiation is necessary.

Eisenhower's path to the White House door is already strewn with time-bombs: Truman's mischievous farewell praise for the Presidential press conference, which Eisenhower so much fears; the order handing tidelands oil to the Navy; Senator Morse's bill challenging Eisenhower on his promise to erase "every vestige of racism" from the capital. The most explosive of all was that laid in the Wilson case by the obtuseness of his own followers, giddy with victory. Who could have dreamt that big business would prove so crass as to drive a Byrd and a Duff into opposition? The appointments to the Defense Department could hardly have been more brazen. General Motors, largest defense contractor, got the top job and the deputyship. The Army secretary is head of a firm which does a $125,000,000 business with the Army. The Air secretary is a heavy holder of motor stock. The Navy secretary is a Texas oil man. A law which goes back to 1863 makes it a crime for an official to act for the government in transactions in which he is "directly or indirectly" interested. Charles E. Wilson has $2,500,000 in GM stock and $600,000 more due him in the next four years providing he does nothing "inimical" to GM's interests. Pending for action by the new Secretary of Defense is an application from GM for an increase in profits on its contracts. Wilson and his associates expect the law to be waived in their favor and Wilson sought to dismiss the ethical problems by telling the Senators, "What is good for General Motors is good for the country and what is good for the country is good for General Motors." The remark recalls that outburst by George F. Baer in the coal strike of 1902 when Morgan's man rejected pleas for arbitration by saying that the rights of labor in this country would be protected "not by labor agitators, but by the Christian men to whom God in his infinite wisdom has given the control of the property interests of this country." That brash assertion of property's Divine Right to rule brought a Bronx cheer from the country even in 1902. No Administration ever started with a bigger, more revealing or more resounding prattfall. Eisenhower will be haunted by General Motors as Truman was by mink.

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John Foster Dulles: Portrait of A Liberator

No dodger could have been more artful than the new Secretary of State at his confirmation hearing before the Senate Foreign Relations Committee. John Foster Dulles managed to convey the impression when questioned by indignant Democrats that the foreign policy planks of the Republican platform were just rhetoric and at the same time to assure Republicans like Taft that he stood by every word in them. At one point Senator Humphrey came close to hitting pay dirt. He wanted to know what was meant by the charge that the Democrats had abandoned friendly nations like the Baltic States, Poland and Czechoslovakia to Communism. Dulles explained that this was a reference to the policy of containment. Humphrey asked whether it wasn't true that the plight of the Baltic States was due to the Stalin-Hitler pact. "Do you recall having made any suggestions at the time," Humphrey queried, "as to how we might relieve the Baltic States?" Dulles, in his best church warden manner, replied that he had made no recommendation because he was "in private life" at the time.

It is a pity Senator Humphrey did not press the point further. The Hitler-Stalin pact sealed the fate of Poland as well as the Baltic States. Dulles, though a private citizen, did make recommendations on the subject at the time. After the fall of Poland, on October 28, 1939, Dulles made a speech in Detroit at the National Council of the Y.M.C.A. declaring that he "saw neither in the origin of the present war, nor in its objectives 'any affirmative reason for the United States to become a participant'." (*NY Times* 10/29/39.) In other words, he recommended the abandonment of Poland. The origin of the war lay in Japanese aggression against China and German aggression against Poland. The objectives were to clear the way for German exploitation and enslavement in Eastern Europe, and for Japanese in Asia. Neither origin nor objectives troubled Dulles.

Humphrey went all the way back to a speech Dulles made in 1928 to test the Secretary of State's views on foreign trade. But neither he nor any other Senator touched on the contrast between the equanimity with which Dulles regarded Axis aggression before the war, and the moralistic fervor with which he preaches "liberation" today. The architect of the so-called "peace of reconciliation" with Japan was reconciled from the very first to Japanese and German aggression. A few months after Hitler marched out of Geneva and into the Rhineland, tearing up the arms provisions of the Versailles Pact, Dulles was moved to set forth his views on international politics. His little noticed and long forgotten article for the October, 1935, issue of the *Atlantic Monthly*, called "The Road to Peace" is recommended reading for Inaugural Week. Dulles met the growing international crisis with a defense of the need for force in history which somehow made the *aggressed* rather than the aggressor seem to blame for what was happening in the world. The road to peace, as Dulles saw it, was to give Germany, Italy and Japan what they wanted.

Dulles likes to imply that he is an old Wilsonian but he regarded the League as merely a means of imposing French hegemony on Europe. He opposed the non-recognition doctrine applied by the League and by Stimson "with reference to the situation brought about by Japan in Manchuria"—note the phrasing, which avoided any implication of Japanese aggression. Dulles was against non-recognition because it was "merely designed to perpetuate the status quo." Dulles in those days harped so much on the wickedness of trying to maintain the status quo as to make himself sound almost like a revolutionary. Dulles thought it "at least conceivable" that what the Japanese were doing in Manchuria reflected "a logical and inevitable tendency" which "could not be held in suspense until that hypothetical day when China was prepared freely to acquiesce therein." The circumlocutions were lush but the meaning was plain. The legal footwork was downright brilliant. The defendant, far from being guilty of rape, was the helpless victim of the plaintiff's obstinate reluctance to give consent!

Smooth is an inadequate word for Dulles. His prevarications are so highly polished as to be aesthetically pleasurable. Let us look more closely at how he did it in the *Atlantic Monthly* article. He began by saying that the drift to war was bewildering. "Faced by a situation which superficially seems so inexplicable," Dulles wrote, "we adopt the time-honored expedient of postulating a 'personal devil'. Hitler, Mussolini and Japanese war lords in turn become the object of our suspicion." Not they, but our overheated imaginations were at fault. We must identify the "underlying forces . . . otherwise we are striking at shadows." The true explanation "of the imminence of war lies in . . . the fact that peace efforts have been directed toward the prevention of change."

Dulles made the desire for stability and peace seem somehow selfish. "Those whose lives fall in pleasant places," he wrote, "contemplate with equanimity an indefinite continuation of their present state. 'Peace' means to them that they should be left undisturbed. . . . 'Aggression' becomes the capital international crime." Notice how Dulles put "aggression" in quotation marks. It was "no mere coincidence," Dulles continued, warming up to his theme, "that it is the presently favored nations—France, Great Britain and the United States—whose governments have been most active in devising plans for perpetual peace." There followed an extraordinary sentence, which the German clients of Sullivan & Cromwell must have relished enormously, "If other countries, like Germany, Japan and Italy," Dulles went on, "adhere only reluctantly if at all to such projects, it is not because these nations are inherently warlike or bloodthirsty. They too want peace but they undoubtedly feel within themselves potentialities which are repressed and desire to keep open avenues of change."

It was all so simple when properly understood. Dulles pleaded the necessity for "a sound body of public opinion ready to throw its influence in favor of appropriate periodical changes in national domains"—no doubt as in Poland and Czechoslovakia. Dulles worked himself up into a positive crescendo of righteousness. "Only in such a way," he concluded, "is it possible to end the unnatural alliance which now exists between liberals and reactionaries, both of whom seek to maintain the status quo, the liberals because they mistakenly think this means peace, and the reactionaries because it perpetuates their exploitation of that which they already have." A man capable of such an argument is a genius of a sort, but not the sort one welcomes as Secretary of State.

Dulles is a man of wily and subtle mind. It is difficult to believe that behind his unctuous manner he does not take a cynical amusement in his own monstrous pomposities. He gives the impression of a man who lives constantly behind a mask. Nowhere else did Dulles venture to indicate his real views on foreign policy as openly as in the article for the *Atlantic Monthly;* his 1939 book, *War, Peace and Change,* cloaks his pro-Axis sympathies in heavy abstractions. When that article is coupled with certain indiscreet outbursts in upstate New York speeches during his 1949 Senate campaign against Lehman, the corporation lawyer's real ideological orientation becomes clear. Dulles, who was never moved to denounce the "statism" of Hitler and Mussolini, said in a speech at Elizabethtown, N. Y., that "bloody" revolution might some day be necessary in this country to combat the "statism" of the New Dealers. The rash remark reflected just such a readiness to use force and violence against social reform as produced Fascism in Germany and Italy. The benign and "realistic" view Dulles took of Fascist expansion was not unrelated to a sympathy of outlook on domestic policy. His New York attacks in the 1949 campaign on "handouts for teachers" and "handouts for farmers," like his opposition to Federal aid for education, are indicative. The "liberation" with which Dulles is concerned is not liberation from dictatorship but liberation from the welfare state.

Barely eight years after the war against the Axis, a Senate committee has unanimously confirmed the nomination as Secretary of State of a man who was and continues to be both pro-German and pro-Japanese. He consistently misconceived and misrepresented the nature of German and Japanese aggression. The Nazi-Soviet pact and the Japanese attack on Pearl Harbor were facilitated by the mental outlook he typified. But no attempt was made at the hearing to explore his views in the past nor was he subject to real questioning as to the policies he proposed for the future. His obsessive hatred for socialism was the kind the Germans and Japanese exploited before and are exploiting again. It is fortunate for this country, Western Europe and China that he was not at the helm of foreign policy before the war. It is unfortunate that he should be now. The same errors may repeat themselves, in a more tragic form.

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I. F. Stone's Weekly

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Published Weekly at Room 225, 1416 F St., N.W., Washington 4, D. C., 50 times a year. Subscription rates: Domestic, $5 a year; Canada, Mexico and elsewhere in the Western Hemisphere, $6; England and Continental Europe, $10 by 1st class mail, $15 by air; for Israel, Asia, Australia and Africa, $10 by first class mail, $20 by air mail. Single copy, 15 cents. Telephone, STerling 3-0938.

Vol. 1, No. 2 January 24, 1953

COMMENT

Undiplomatic Diplomat

In his address to the Pennsylvania State Bar Association in Scranton, George F. Kennan not only took issue with the "liberation" views of the new Secretary of State but also took out after the witch hunters and stepped on the toes of the protectionists in Congress. Kennan seems determined to retire, but if he does it will be with honor. He termed the pet Dulles idea of stirring "subversion" in the Soviet bloc inconsistent with membership in the United Nations. Unkindest of all was his dry observation that the prospects for success "would be very small indeed, since the problem of civil obedience is not a great problem in the modern police dictatorship." Kennan dug up a magnificently pertinent warning by John Quincy Adams against going abroad "in search of monsters to destroy." He sideswiped protectionism as "inconsistent with the sort of international relationships we require at this juncture." He then threw down a direct challenge to the whole crew of Congressional witch hunters by saying that he could not "recall a single major decision of foreign policy" during his years in the State Department "which Communist influence could have had any appreciable part in determining." On the other hand, he said he had seen "serious damage done . . . to public confidence and to governmental morale by the mishandling of our own measures to counter precisely this problem of Communist penetration." He took a whack at "the inability of many people to distinguish between questions of loyalty and questions of opinion." Kennan said that "As things stand today, I can see no reason why malicious people should have any particular difficulty in rendering unavailable for service to this country almost any person whom they might select for this treatment. All that is necessary is to release a spate of rumors and gossip and demands for investigation." It looks as if Kennan will soon be as persona non grata in Washington as in Moscow.

Gunning for Big Game

A showdown battle within the Republican party between the respectable elements around Eisenhower and the McCarthy type of crypto-Fascist is likely to be the big story of the coming Administration. There is reason to suspect that the fight will open much sooner than expected, and will center around the nomination of Eisenhower's friend, Gen. Walter Bedell Smith, to be Under Secretary of State. As if in preparation for the Senate debate on confirmation, Senator McCarran secretly reopened hearings a week before the inaugural in the loyalty case of John P. Davies. Davies was one of McCarthy's original targets in the State Department and was recently cleared by the Civil Service Loyalty Review Board. Davies was supported by General Smith, and the favorable verdict must have rankled with the McCarran committee which has been trying for some time to get the Justice Department to indict the diplomat for perjury. The attack on Davies focusses around the allegation that he urged the CIA to employ several alleged Communists, and McCarran seems determined to keep rehashing it until he gets the verdict he wants. To "get" Davies would also be to "get" Smith, and to throw a chill into the Eisenhower circle itself. Jenner will take over the subcommittee from McCarran, and may be counted on to carry on in the same spirit. An indication of what may be expected on the Senate floor when Smith's name comes up for confirmation is the attack on him in last Saturday's *Chicago Tribune* and Washington *Times-Herald.* Smith is blamed for incompetent handling of intelligence as secretary of the Army General Staff the night before Pearl Harbor, and criticized for his testimony in the Davies case. "One of the tasks of the new administration," said an editorial published by McCormick's Siamese twin newspapers, "will be to rout security risks from the (State) department. Smith's position in the Davies case may indicate a softness toward these people."

Whitewash and Red Smear

Whether Kurt Ponger and Otto Verber are guilty of espionage for the Russians is for the courts to determine. But there are obvious political dangers in the "dope" stories coming out of Frankfurt to the effect that the two men were part of a ring recruited during the Nurnberg trials. An anonymous "high American official" was quoted as saying that the arrest "ties in with information showing that too many of the Americans employed at Nurnberg were either Communists or were being used by Communists." Another also anonymous American official was quoted as saying that one of the men who prosecuted the case against Krupp was recently removed from government service as the result of a loyalty check. The effect of all this scuttlebutt is to create the impression that the prosecution was somehow or to some degree a Communist plot. No doubt many Germans will find this a congenial theory. The danger in spreading it is dramatized by the roundup of former Nazis on serious charges in the British zone and the indignation with which the arrests have been greeted by the West German press and government. Nazism is far from dead in Germany, as a new survey by the U. S. High Commissioner in Bonn indicates. It would be most irresponsible and alarming if the Ponger-Verber affair were allowed to become a peg for propaganda putting the whitewash on Nazi criminals by putting the Red smear on the Nurnberg trials.

Hat's Off

To Joseph and Stewart Alsop for their column of January 18 urging the new Attorney General to investigate our present crop of professional informers. Best tidbit they turned up: ex-Red Harvey Matusow recently charged that the Sunday section of the *New York Times* alone has "126 dues-paying Communists." The entire staff of the Sunday section, the Alsops found, only numbers 87, including two part-time office boys.

Help Wanted

The second issue of my weekly is now in your hands. By now you should have some idea of the kind of newspaper I am going to put out. Not the "lowdown," sensational even if untrue, but a sober analysis of facts too often left out or buried on the back pages of the commercial newspapers. I want this paper to form a valuable record of the next four momentous years. The response to my announcement of publication has been wonderfully heartening. You, who have already subscribed, can keep the ball rolling by getting a friend or two to do the same. And will those of you who have not yet gotten around to subscribing do it now by using the form on the back of this issue? Five dollars is not an insignificant sum in these years of inflation but I hope to pack five times five dollars worth of valuable information into these pages each year. With your help I'll be able to do that job.

I. F. Stone

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Storm Warnings for the G.O.P.

Mr. Truman's final economic report is embodied in a document of 218 pages. One has to read more than half way through before one begins to get at the truth. The outgoing President's own report to Congress fills the first 27 pages with unabashed self-glorification. Marx ("the false conclusions which Marx drew from the defects of nineteenth century industrialism") bites the dust and the Democrats are credited with establishing something close to the Earthly Paradise. "We achieved in great measure," Mr. Truman said, "the kind of economic society of which the [Full Employment] Act is a symbol—a prosperous and growing economy of free men." It should have been a two color print job, to allow for blushes.

The Council of Economic Advisers begins its own annual economic review on page 35. Its wordy euphemisms are as discreet as those of a grand vizier reporting to a sultan with high blood pressure. At first nothing is said to disturb the glowing picture drawn by the President, but those who persevere will find themselves rewarded. By the time page 110 is reached the Council begins to get down to brass tacks. "Although consumption levels since 1945 have been high, total real per capita consumption has increased very little." One reason appears on page 112, "Contrary to the common impression, average hourly earnings in manufacturing . . . have not risen faster than the economy's general productivity gains, but instead apparently have lagged significantly." Page 113 informs us *sotto voce,* "study of data on corporate profits confirms the need for some relative shift of before-tax income from business to consumers." Manufacturing corporations averaged annually almost 25 percent profit before taxes on their stockholders' equity in the years 1947-50.

Those "defects of nineteenth century industrialism" on which Mr. Truman triumphantly blames the misapprehensions of Marx seem still to be with us. The classic lag of consumption behind output is still observable. While the national output rose 24 percent from 1947 to 1952, per capita income rose less than 10 percent. Consumption took 69 percent of production in the postwar years "up through 1950, and then, under the joint impact of the security program and a higher savings rate, tumbled to about 63 percent in 1951 and 1952." Various forms of foreign subsidy, military preparations and the Korean war have been filling that gap between consumption and output.

The years since the war have seen "an unbroken investment boom." The Council estimates that in 1952 alone about 10 billion dollars in new industrial facilities were made possible by accelerated tax amortization, i.e. paid for in large part by the U.S. Treasury through tax deductions. The vast expansion of American industrial capacity and the high level of employment achieved in the postwar years was due in considerable degree to Rooseveltianism turned upside down; a military WPA enabled business to lean profitably on golden shovels. As Mr. Truman said, one of the safeguards against an economic setback is "a level of public expenditures which, while we all want to see it lower as soon as world conditions permit, stabilizes demand and stimulates private investment." And what if world conditions permit these expenditures to be lowered? What if Stalin should mischievously make peace? Mr. Truman himself admits, "We may face in the future, *particularly when defense spending can safely be reduced,* more serious tests of our ability to avoid depression than those which have occurred since World War II."

There are other ways than war alarum to prime the pump of business and the Council touches upon them gingerly in the closing pages of its report. Social security payments are ludicrously and shamefully low. Almost two million miserable farm families need to be taken off submarginal lands. Every city has its open sore of slums. The country's highway system has seriously deteriorated. The schools need 600,000 more classrooms by 1958. There is a desperate shortage of hospital space and huge untapped reservoirs of power and mineral wealth to be opened up. Wistfully the Council calls for "full speed ahead with preparatory measures so that development projects . . . may be accelerated promptly as part of a total antirecession economic strategy." This, like the suggestion, that maybe business ought to pay higher wages and be satisfied with lower profits, is unlikely to find full-throated echo among the victorious Republicans. Don't look now while the festivities are on, but something may be waiting around the corner for Eisenhower as It waited for Hoover.

I. F. Stone's Weekly 1-24-53
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